

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH**

IN THE MATTER OF:

**QORUSOFT, INC.; and
PETER G. POLSCHAK;**

Respondents.

**MOTION FOR ENTRY OF
DEFAULT JUDGMENT**

Docket No. SD-05-0058

Docket No. SD-05-0059

The Utah Division of Securities (Division) hereby moves for a default judgment against Qorusoft, Inc., and Peter G. Polschak based on the following:

1. On September 21, 2005, the Division commenced a formal adjudicative proceeding by issuing an Order to Show Cause (OSC) and Notice of Agency Action (Notice) to Qorusoft, Inc. (Qorusoft) and Peter G. Polschak (Polschak).
2. On September 29, 2005, a copy of the OSC and Notice was served by certified mail to Qorusoft's business address at 11734 South Election Drive, Suite 290, Salt Lake City, Utah, 84020, and to Polschak's two last known addresses, one in Salt Lake City, Utah, and the other in Cape Coral, Florida.

3. On October 11, 2005, the Division received notice from the United States Postal Service (USPS) that delivery to Qorusoft and Polschak (Utah address) was attempted, but was not successful because no forwarding addresses had been provided by the Respondents. The Division also received notice from USPS that delivery by certified mail to Polschak's Florida address was attempted three times with no success.
4. On November 14, 2005, the Division mailed, a second time, the OSC and Notice to Polschak's Florida address, by regular mail and in a plain envelope. On December 6, 2005, USPS returned the envelope to the Division, and had stamped it "not deliverable as addressed, unable to forward".
5. Pursuant to Utah Code Ann. § 63-46b-3(2)(b) (2005), when commencing an administrative action, the Division must mail the Notice to each party.
6. The Notice sent to Qorusoft and Polschak informed them that they must submit a written response within thirty (30) days of the mailing date of the Notice.
7. As of the date of this motion neither Qorusoft nor Polschak have filed a response to the OSC, or made contact with the Division.


WHEREFORE, the Division requests that the Court find Qorusoft and Polschak in default pursuant to Utah Code Ann. § 63-46b-11(1)(c) and requests that the Court enter a default judgment for the Division as follows:

1. That Qorusoft and Polschak be adjudged and decreed to have willfully engaged in the acts alleged in the September 21, 2005, OSC, in violation of the Utah Uniform Securities Act;

2. That Qorusoft and Polschak be ordered to permanently cease and desist from any violations of the Act; and
3. That Qorusoft and Polschak be ordered to pay a fine, jointly and severally, of \$100,000 to the Division.

DATED this 5 day of January, 2006.

MARK L. SHURTLEFF
UTAH ATTORNEY GENERAL


JEFF BUCKNER
Assistant Attorney General

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
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BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH

IN THE MATTER OF:

**QORUSOFT, INC.; and
PETER G. POLSCHAK;**

Respondents.

AFFIDAVIT OF NON-RESPONSE

Docket No. SD-05-0058

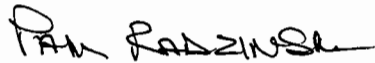
Docket No. SD-05-0059

I, Pam Radzinski, first being duly sworn, depose and state as follows:

1. I am the Executive Secretary for the Department of Commerce Division of Securities (Division).
2. As executive secretary for the Division of Securities, I am responsible for supervising the mailing of the Division's Orders to Show Cause and for receiving any responses filed by respondents.

3. On September 29, 2005, the Division served, by certified mail, an Order to Show Cause (OSC) to Qorusoft and Polschak along with a Notice of Agency Action (Notice) advising that a default order would be entered if they failed to file a written response to the OSC within thirty (30) days of the mailing date of the Notice.
4. On October 11, 2005, the Division received notice from the United States Postal Service (USPS) that delivery to Qorusoft and Polschak's Utah address was attempted, but was not successful because no forwarding addresses had been provided by the Respondents. The Division also received notice from USPS that delivery by certified mail to Polschak's Florida address was attempted three times with no success.
5. On November 14, 2005, the Division mailed, a second time, the OSC and Notice to Polschak's Florida address, by regular mail and in a plain envelope.
6. On December 6, 2005, USPS returned the envelope to the Division, and stamped it "not deliverable as addressed, unable to forward".
7. As of the date of this Affidavit, the Division has not received a response from Qorusoft or Polschak.

DATED this 5th day of January, 2006.

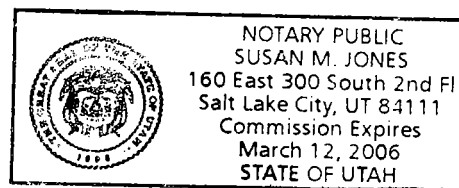


PAM RADZINSKI
Executive Secretary

SALT LAKE COUNTY)
) ss
STATE OF UTAH)

Signed and subscribed to before me this 5th day of January, 2006


Notary Public



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Utah Department of Commerce
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH**

IN THE MATTER OF:

**QORUSOFT, INC.; and
PETER G. POLSCHAK;**

Respondents.

**NOTICE OF ENTRY OF
DEFAULT AND ORDER**

Docket No. SD-05-0058

Docket No. SD-05-0059

I. BACKGROUND

A formal adjudicative proceeding was initiated by the Division's Order to Show Cause (OSC) and Notice of Agency Action (Notice) dated September 21, 2005, against Qorusoft, Inc., and Peter G. Polschak (Respondents). The Division has moved for entry of a default judgment against Qorusoft, Inc. and Peter G. Polschak.

II. FINDINGS OF FACT

1. The Division served a copy of the OSC and Notice to Respondents, by certified mail and regular mail, to the last known addresses of Respondents. Even though the Notice and

OSC were returned as undeliverable, service by mail is valid and receipt is presumed.

The Division has made efforts to achieve service beyond the minimum requirements.

2. Neither Respondent has filed a written response or answer with the Division in the more than three months since the OSC was issued and the Notice was served.
3. Qorusoft, Inc. (Qorusoft) registered as a Utah corporation in June 2001, and its registration expired in September 2002. Qorusoft's address is listed on the Utah Department of Commerce's online business entity database as 11734 South Election Drive, Salt Lake City, Utah, and Peter G. Polschak is listed as its president and registered agent.
4. Peter G. Polschak (Polschak) was believed to reside in Salt Lake City, Utah, and / or Cape Coral, Florida.
5. Colorado resident S.A. (Investor) met Polschak in October or November 2000 when Polschak came into Investor's tractor dealership located in Salt Lake City, Utah.
6. Between March and May 2001, Polschak explained to Investor that Polschak had been laid off from his prior employment with TenFold Corporation (TenFold) due to management and financial problems. Polschak told Investor he wanted to use the same technology used by TenFold to build a similar company of his own called Qorusoft Incorporated.

7. Polschak explained to Investor that after two banks merge, the new bank needs software capable of combining data from the two former banks into one database. Polschak told Investor that Polschak's software was capable of combining two bank databases, and that the software was compatible with all bank software systems. Polschak told Investor that banks in Europe had already been through the updating process and that US banks were just beginning.
8. Polschak asked Investor to invest in Qorusoft to get it up and running. Polschak told Investor that Polschak would get his principal back in 12 to 18 months plus 10% interest and 10% stock ownership in Qorusoft.
9. Polschak and Qorusoft made the following false statement to Investor:
 - a. Polschak told Investor his \$952,375 would be used for start-up costs, payroll, acquiring employees and project teams, converting software programs, and acquiring client banks. In fact, bank accounts for Qorusoft, Polschak, and his girlfriend, Lisette Soulier, reveal that some of Investor's money was used for personal expenses;
 - b. In the spring of 2001, Polschak told Investor that Polschak owned over 1,000 software programs that would be converted to a new format. In fact, Polschak did not own over 1,000 software programs and Polschak never converted software into a new format;

- c. In the summer of 2001, Polschak gave Investor a copy of an unsigned letter of intent from Wells Fargo stating that Wells Fargo would fund Polschak's pilot project. Polschak told Investor that he had the signed original of that letter elsewhere. In fact, Wells Fargo never signed a letter of intent for Polschak or Qorusoft;
 - d. On August 26, 2001, Polschak told Investor that Investor's investment would be collateralized by Polschak's shares in Qorusoft and in Polschak's home. In fact, Investor never received documentation or evidence from Polschak indicating that Investor's investment was collateralized; and
 - e. On or about August 26, 2001, Polschak told Investor that Qorusoft would be worth \$140 million in 18 to 24 months and Investor would be paid back in 12 to 18 months. In fact, more than four years later, Investor still has not received any portion of his investment.
10. These false statements were made by Polschak in connection with the solicitation of investments from Investor to Qorusoft.
11. Polschak and Qorusoft failed to disclose to Investor material information regarding the investment being solicited. These included failure to disclose:
- a. Polschak's civil litigation history, which includes judgments entered against him totaling approximately \$73,000;

- b. The risk factors associated with the investment;
 - c. Whether anyone related to the investment was licensed to sell securities;
 - d. Whether the investment was registered or exempt from registration; and
 - e. Whether commissions or compensation would be paid.
- 12. The failure to disclose material information regarding the investment was in connection with the solicitation of money from Investor to Qorusoft.
 - 13. The securities offered and sold by Respondents were not registered under the Act and Respondents have not made any claim of exemption from the registration requirements.
 - 14. Qorusoft was the issuer of the promissory notes and stock purchased by Investor.
 - 15. The securities were offered and sold by Respondents in Utah.
 - 16. Polschak was acting as an agent of Qorusoft when selling its securities.
 - 17. Polschak was not licensed as an agent of an issuer or of a broker-dealer.
 - 18. Qorusoft employed Polschak to sell its securities.
 - 19. Between July 9, 2001 and February 28, 2003, Investor invested a total of \$952,375 in Qorusoft. Investor made a series of sixty-five separate investments with Qorusoft and Polschak, by check, cash, or wire-transfer, and received twenty-eight separate promissory notes from Polschak to evidence those investments.
 - 20. Investor received no return of principal, no interest, and no stock ownership.

III. CONCLUSIONS OF LAW

1. The service of the OSC and the Notice of Agency Action initiating these proceedings is valid , and exceeded that required by the statute.
2. Because Respondents did not file an answer or written response, or otherwise appear, they are in default.
3. The promissory notes issued by Polschak and Qorusoft are securities under the Utah Uniform Securities Act.
4. The stock ownership offered to Investor is a security under the Utah Uniform Securities Act.
5. In connection with the offer and sale of these securities, Respondents made untrue statements of material fact to Investor.
6. By this conduct, Respondents violated § 61-1-1(2).
7. In connection with the offer and sale of Qorusoft's securities, Respondents omitted to state to Investor various material facts which were necessary to make the statements made not misleading.
8. By this conduct, Respondents violated § 61-1-1(2).
9. By offering and selling unregistered securities in the state of Utah, Respondents violated § 61-1-7.

10. Polschak offered and sold securities issued by, or representing an interest in, Qorusoft as an agent of Qorusoft without being licensed as required by the Act.
11. By this conduct, Polschak violated § 61-1-3(1).
12. Qorusoft employed Polschak, an unlicensed agent, to offer and sell its securities in Utah.
13. By this conduct, Qorusoft violated § 61-1-3(2).

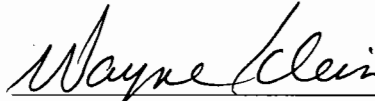
IV. ORDER

Based on the above, the Court hereby:

1. Declares Qorusoft and Polschak in default for failing to respond to the OSC and Notice issued September 21, 2005.
2. Enters, as its own findings, the Finding of Fact described in Section II above.
3. Enters, as its own conclusions, the Conclusions of Law describe in Section III above.
4. Finds that Qorusoft Inc. and Peter G. Polschak willfully violated the Utah Uniform Securities Act by:
 - a. Selling unregistered securities in violation of § 61-1-7;
 - b. Selling securities without being licensed and employing an unlicensed agent to sell securities in violation of § 61-1-3;
 - c. Making material misrepresentations in connection with the offer and sale of securities in Utah in violation of § 61-1-1(2); and

- d. Omitting to disclose material information in connection with the offer and sale of securities in Utah in violation of § 61-1-1(2).
5. Orders Qorusoft Inc. and Peter G. Polschak to:
- a. Permanently CEASE and DESIST from any violations of the Act; and
 - b. Pay a fine to the Division, jointly and severally, of \$100,000.

DATED this 5th day of January, 2006.



WAYNE KLEIN
Director, Division of Securities



Pursuant to § 63-46b-11(3), Respondent may seek to set aside the Default Order entered in this proceeding by filing such a request with the Division consistent with the procedures outlined in the Utah Rules of Civil Procedure.

CERTIFICATE OF MAILING

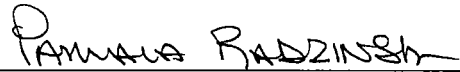
I hereby certify that on the 5th day of January 2006, I mailed, by certified mail, a true and correct copy of the forgoing **Motion For Entry of Default Judgment, Affidavit of Non-Response and Notice of Entry of Default and Order** to:

Qorusoft Inc
11734 S Election Drive Ste 290
Draper UT 84020

CERTIFIED MAIL: 7004 2510 0006 1196 9728

Peter G Polschak
2924 SE 5th Avenue
Cape Coral Fl 33904

CERTIFIED MAIL: 7004 2510 0006 1196 9742



Executive Secretary